



Gilbert Ambulance Service

Why Are We Here?

- ❖ Gilbert has a long history of receiving ambulance transportation services from private providers
- ❖ Prior to formally contracting with Southwest Ambulance (SWA) more than twenty years ago, Gilbert received service from as many as four different ambulance providers at the same time
- ❖ As the Valley grew, the competition between ambulance companies intensified which subsequently led to a number of acquisitions by the larger companies
- ❖ Rural/Metro, a national provider of fire and ambulance services, acquired SWA and PMT in 2011 creating a monopoly for 9-1-1 ambulance transportation within Maricopa County and some fringe areas of Pinal County
 - ❑ SWA was the sole provider of ambulance services in Gilbert at the time of acquisition

Why Are We Here?

- ❖ In 2013, Rural/Metro (parent company of Gilbert's provider, SWA) filed for bankruptcy
- ❖ In 2014, Rural/Metro refused to extend the existing and instead asked to immediately terminate the agreement in order to negotiate a new contract that was less favorable to Gilbert
- ❖ Rural/Metro failed to meet contractual obligations
 - ❑ Gilbert was forced to take legal action
- ❖ There was great concern they would cease operations in the region

Why Are We Here?



Gilbert was faced with a major vulnerability that required action to protect a critical line of service

Gilbert's Approach



- ❖ Gilbert took a two-pronged approach to protect the interests of the community and to reduce the vulnerability to a critical line of service
 - ❑ Negotiated with AMR on a contract
 - ❑ Applied for a Certificate of Necessity (CON)
- ❖ Reached an agreement with AMR in 2015
- ❖ Gilbert was awarded a CON in 2016
 - ❑ By approving and subsequently renewing the CON, DHS acknowledged that the need exists for Gilbert to operate ambulances

Vulnerabilities That Exist Today

- ❖ The possibility of another private sector monopoly still exists in the region
- ❖ Uncertainty in the ambulance industry puts Gilbert in a tenuous position
- ❖ It is increasingly more difficult to negotiate and receive approval for contracts that meet the needs of the community
 - ❑ Contractually allowable vs. desired or optimal for Gilbert
- ❖ Continuing to contract with a private provider could put Gilbert's CON at risk
- ❖ Changes in neighboring cities could have implications in Gilbert
- ❖ Competition in interfacility space could impact services delivered to Gilbert

Vulnerabilities That Exist Today

- ❖ During a CON application hearing for Community Ambulance, AMR submitted a witness and exhibit list that contained the following quotes.
- ❖ Interfacility ambulances sometimes perform 9-1-1 transports and 9-1-1 ambulances sometimes perform interfacility transports
- ❖ The possibility exists that a reduction in interfacility transports could impact AMR's ability to provide 9-1-1
- ❖ It is increasingly more difficult to negotiate and receive approval for contracts that meet the needs of the community
 - ❑ Contractually allowable vs. desired or optimal for Gilbert
- ❖ Continuing to contract with a private provider could put Gilbert's CON at risk
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AMR Current Status

- ❖ There have been numerous leadership changes at AMR
- ❖ Communications between Gilbert and AMR have deteriorated
- ❖ They have become more obstinate in their approach to contracts
- ❖ Acquisitions and mergers involving AMR add to our vulnerability
- ❖ AMR recently notified us that they would no longer train their employees on Gilbert specific procedures and operations
- ❖ AMR has taken Gilbert assigned ambulances out of service due to staffing shortages
- ❖ There is inequity in AMR's deployment model in Gilbert, especially in the southern and northeastern portions of town
- ❖ Their relationship with others throughout the Valley has been deteriorating

AMR Responses Out of Compliance

❖ From May 1, 2019 through April 30, 2020 there were 333 ambulance responses, including 79 (24%) Code 3 (lights and sirens), that exceeded contractual requirements

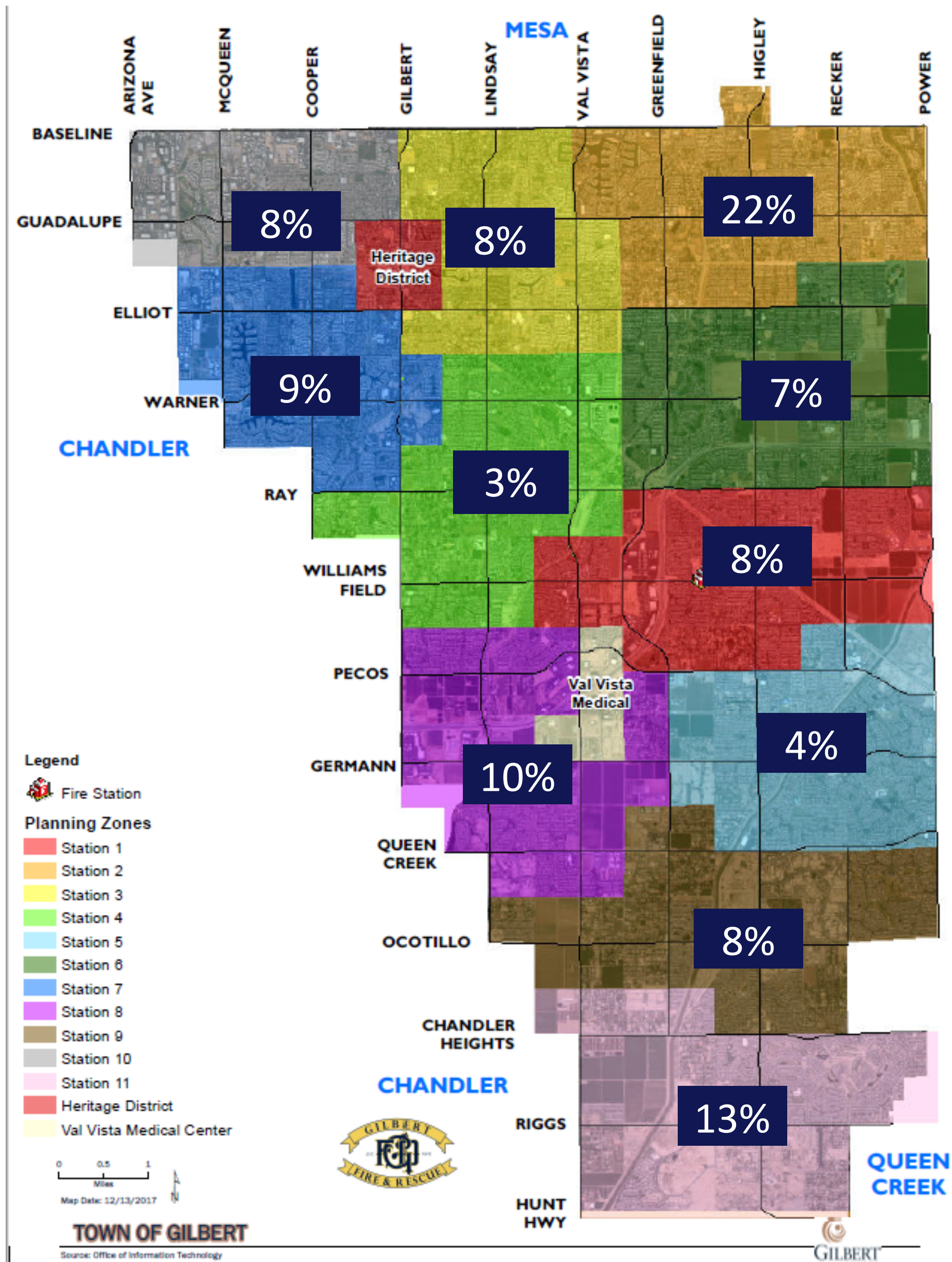
❑ Of the non-compliant responses

- 262 (79%) exceeded 15 minutes
- 58 (17%) exceeded 20 minutes
- 3 (1%) exceeded 30 minutes

❑ Noncompliant responses by call type

- Altered level of consciousness, seizures – 46 (14%)
- Falls – 42 (13%)
- Motor vehicle accidents – 33 (10%)
- Stroke – 32 (9%)
- Difficulty Breathing – 30 (9%)
- Chest Pain – 29 (9%)
- Cardiac Arrest – 20 (6%)
- Others – 101 (30%)

Non-compliant Responses



Options We Considered

- ❖ Continue contracting with AMR
 - ❑ It has become more difficult to negotiate and receive approval of new contracts
- ❖ Negotiate a contract with the other private provider in the region
- ❖ Transition to Gilbert being the primary provider of 9-1-1 ambulance transport

Interests We Are Trying to Meet

Interests	Gilbert's Model
Accountability to our citizens, not an out of state board of directors	✓
Deployment model that prioritizes service to Gilbert citizens	✓
Long term sustainability of a critical line of service	✓
Cost effective service model	✓
Council and citizen input on operations and billing rates	✓
Enhanced patient and employee safety	✓
Select employees who match Gilbert's culture and values	✓
Proficiently trained employees	✓
Ability to innovate on our terms	✓

GFRD Service Delivery Considerations

- ❖ Gilbert CON must be utilized to ensure renewal by the Department of Health Services
 - ❑ This may not be possible if Gilbert continues to contract with private entities as the primary provider
 - ❑ Losing the CON would put Gilbert at risk for service reductions
- ❖ Ambulance service provided by Gilbert would improve and protect a critical line of service to our citizens
- ❖ Gilbert Fire and Rescue has proven it is very capable of providing high level and equitable ambulance service to the community
- ❖ Gilbert will have the ability to improve and further innovate in the delivery of medical services that it does not have today with AMR

GFRD Service Delivery Considerations

- ❖ Gilbert could ensure constant staffing of ambulances, select employees who match its culture and commitment to citizens, and provide ongoing required and supportive training
- ❖ Gilbert is positioned to provide long term sustainability
- ❖ Like our other emergency services, our ambulances model is built to meet the needs of the entire community
- ❖ In this situation, staff believes the past is a good predictor of the future

CON Comparison



	Operational Area	Service Level	Response Times (9-1-1 incidents)	Contractual Response Time Requirements	Billing Rates (per transport)
Gilbert	TOG Planning Area	9-1-1 only	8 minutes 59 seconds 90% of the time 14 minutes 59 seconds 95% of the time 19 minutes 59 seconds 100% of the time	N/A	Advanced life support - \$913.01 Basic life support - \$813.65 Mileage - \$11.18 Plus supplies
AMR	Most of Maricopa County	9-1-1, interfacility, convalescent	10 minutes 80% of the time 15 minutes 90% of the time 20 minutes 97% of the time	Code 3 - 8 minutes 59 seconds 90% of the time Code 2 - 14 minutes 59 seconds 90% of the time	Advanced life support - \$965.67 Basic life support - \$860.19 Mileage - \$20.02 Plus supplies

Billing Rates

- ❖ All ambulance billing rates in Arizona are established by DHS
- ❖ The rates are applied individually to CON holders and are determined by evaluation of several factors by DHS
- ❖ Gilbert has opted not to receive automatic rate increases from DHS, instead basing rate requests on Gilbert specific conditions
- ❖ AMR is allowed to bill patients even if a transport does not occur
- ❖ Unlike AMR rates, the town council can weigh in on any Gilbert rate changes

CON Allowable Billing Rates

Billing Rates			
	Advanced Life Support	Basic Life Support	Mileage
Gilbert	\$913.01	\$813.65	\$11.18
AMR	\$965.67	\$860.19	\$20.02

- ❖ The billing rates are the maximum allowed and are subject to lower reimbursement due to Medicare, Medicaid and private insurance allowances. The remaining balance is billed to the patient (if allowed by the plan)
- ❖ This summary does not include charges for supplies which is allowed by DHS

Transportation Billing Example

- ❖ A person suffers a heart attack at the Municipal Center, requires advanced life support treatment and is transported to Mercy Gilbert Hospital
 - ❑ Gilbert Invoice - $\$913.01 + \$61.49 = \$974.50$
 - ❑ AMR Invoice - $\$965.67 + \$110.11 = \$1,075.78$
 - This example does not include supply charges

DHS Ambulance Revenue and Cost Reports (ARCR)

- ❖ DHS requires all CON holders to submit an ARCR regardless of whether the CON holder operated ambulances during the respective fiscal year
- ❖ The report, as applied by DHS, is meant to capture all costs and revenues associated with providing the service and ultimately identifying the net profit/loss of the operation
- ❖ The model works for organizations with a singular focus of providing ambulance services, however as applied to municipalities does not distinguish costs that would exist regardless of whether the municipality or a private company provided the service
- ❖ ARCR's are an accounting and reporting mechanism for DHS, not a way to accurately and appropriately identify cost of service
- ❖ The ARCR considers management salaries and space utilization in town facilities as part of the overhead

- ❖ Gilbert's 2018 ARCR shows a loss of \$560,000 for operations during the reporting period
 - ❑ Gilbert launched a low acuity pilot and layered in ambulance transport
 - ❑ The entire cost of the pilot was accounted for in the ARCR
 - ❑ The ARCR also captures costs that exist regardless of who is providing services
 - Fire Chief 5%; Assistant Chief 10%; EMS Chief 50%
 - Allocation for space utilization in fire stations
 - ❑ Sworn Fire personnel were used to conduct the pilot
 - ❑ The pilot provided operational experience and a wealth of information that was utilized to build our proposed model

- ❖ Gilbert's 2019 ARCR shows a loss of \$173,000 for operations during the reporting period even though Gilbert didn't operate any ambulances during the fiscal year
 - ❑ AMR provided all ambulance service during the reporting period
 - ❑ Gilbert had no direct delivery expenditures or revenue
 - ❑ Only \$3,100 is directly attributable to Gilbert's ambulances
 - ❑ Essentially, most of the \$173,000 "loss" identified in the ARCR was spent overseeing AMR operations

Innovation/Process Improvement

- ❖ Medication dispensing machines at every fire station to help increase availability of fire response units
- ❖ Expanded electronic patient data collection that can assist in capturing TOG data as needed for special projects; i.e. community scooter pilot
- ❖ Installation of power load systems to help decrease employee injuries
- ❖ New hiring concept that utilizes on-call employees for ambulance staffing vacancies to ensure no service reductions occur
- ❖ Billing compliance and quality assurance to ensure our patients do not go through unnecessary medical billing headaches
- ❖ Accurate electronic transfer of patient care reports between Gilbert fire and ambulance crews, which provides a more accurate patient history and treatment
- ❖ There are additional innovations being considered, including using data to improve treatment protocols, alternative transport destinations and equipment standardization, but these initiatives are often difficult to implement due to a lack of interest by AMR or rejection of contract terms by DHS

Cost/Revenue Projections



	Expenditures	Revenue	Difference	One Time Expenditures	Net
Year 1	\$3,569,914	\$3,491,263	(\$78,651)*	\$2,639,160	(\$2,717,811)
Year 2	\$3,705,420	\$4,051,920	\$346,500		(\$2,371,311)
Year 3	\$3,799,393	\$4,132,940	\$333,547		(\$2,037,764)
Year 4	\$3,811,577	\$4,215,599	\$404,022		(\$1,633,742)
Year 5	\$3,824,048	\$4,299,911	\$475,863		(\$1,157,879)
Year 6	\$3,900,528	\$4,385,909	\$485,381		(\$672,498)
Year 7	\$3,978,538	\$4,473,627	\$495,089		(\$177,409)
Year 8	\$4,058,109	\$4,563,099	\$504,990		\$327,581
Total	\$30,647,527	\$33,614,268	\$2,966,741	\$2,639,160	\$327,581

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The background is a solid dark blue color, overlaid with a repeating pattern of small, light blue icons. These icons represent a wide variety of concepts including nature (sun, heart, cactus, bird), technology (atom, location pin), industry (factory, crane, wheel, shovel), education (graduation cap), food (fork and plate, fish), and general objects (house, bicycle, tank, hand holding heart).

Questions?